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7/22/10

Honorable Carla E. Craig  
U.S. Bankruptcy Court  
271 Cadman Plaza East  
Brooklyn, N.Y. 11201

Dear Judge Craig:

I am one of the three members of the creditors committee regarding Case No. 08-41965-CEC, involving the debtor Acme Cake. For the past two years the major creditor, John Sabatini, and his attorneys have attempted to control and dictate the actions of the committee.

I have been in business for over forty years and have probably been involved as a creditor in over 25 bankruptcy cases. Acme has been a customer of I. Rice & Co., Inc. for more than thirty years and we have had a mutually beneficial business relationship. The only reason for the Chapter 11 was that John Sabatini won a lawsuit against Acme and was awarded approximately \$2,500,000 in damages and accrued interest.

From the get go, (due to my experience as a creditor in many previous chapter 11's), I have urged and pleaded with the Sabatini team to settle for 20-25% on the dollar. This would allow Acme to remain in business as a viable employer of 50 employees, and as a customer for the creditors that lost money. (I. Rice & Co., Inc. lost over \$48,000).

The Sabatini team, consisting of two attorneys hired on a contingency basis, and bankruptcy attorney David Graubard always felt that Acme could afford to pay at least 50% on the dollar, and urged the committee to depose numerous Acme people in order to prove theft and fraud. I mentioned to the committee that the "alleged" theft and fraud they referred to involved properties that were separate entities that were under a different corporate umbrella. If they wanted to pursue that angle, Sabatini should institute a separate lawsuit against the alleged individuals and not waste the committee's time and debtor's MONEY that would be used to pay 20-25% to the creditors.

Unfortunately, Sabatini's team disagreed with me and the creditor's committee attorney (note there were three changes in attorneys). They always insisted there was more money to be gotten from the properties and the "additonal business that Acme had gotten from six newly acquired accounts", accounts that I believe never existed and never came on board.



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My hope is that when you render your decision, you take into account my belief that the current situation could have been avoided if not for the greed of Sabatini and the two attorneys he hired on a contingency basis. Their sole intent was to maximize their financial gain, even if it meant destroying a historically sound family business, the jobs of approximately 50 workers, and an almost total financial loss for the creditors.

If in any way I can be of assistance, please feel free to contact me.

Sincerely yours,

Steven Kuhl, President

I. Rice & Co, Inc.



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